To: Appropriations Committee

Date: February 17, 2009

Testimony re: Dept. of Agriculture Budget and Loss of Community Investment Act Funds

Submitted by: Cris Coffin, New England Director, American Farmland Trust

Vice Chair, Working Lands Alliance

I write on behalf of American Farmland Trust to urge the Committee to reject the Governor's proposal to redirect \$12 million in funds generated through the Community Investment Act in FY10 and FY11 to the state's General Fund. While American Farmland Trust appreciates the difficult decisions facing this Committee with regards to the state's budget, we believe that the Governor's plan to transfer for general purposes funds that were raised specifically for historic preservation, affordable housing, and open space and farmland protection erodes public confidence in the sanctity of dedicated funding sources and should be rejected for the following reasons:

- Protecting farmland stimulates the local economy. A recent study of farmers who protected their land through the state Farmland Preservation Program found that more than % of them used the proceeds from the sale of development rights to pay down debt and to reinvest in their farm operations by purchasing additional farm equipment, constructing or improving farm buildings, and expanding markets or products. By recycling money into the local economy, the program creates jobs and generates revenues while increasing the capacity of local farms to meet growing consumer demand for local food and farm products.
- The opportunity to leverage state resources has never been better. The 2008 Farm Bill significant increased the federal funds potentially available to match state and local spending on farmland protection. Additionally, an extension of the enhanced federal tax benefits for the donation of conservation easements on farmland makes it advantageous for many landowners to gift a portion of the value of their development rights. With these leverage opportunities and a slow-down in farm real estate values, the time has never been better to maximize the purchase power of state dollars.
- New and young farmers depend on protected farmland to get started. The Farmland Preservation Program is helping to keep land affordable for young farmers and is a critical tool in facilitating the transfer of farmland from one generation to the next. The increased investment in the program through the Community Investment Act has generated many new applications from retirement-age farmers and farmland owners seeking a way to keep their land in farming forever.
- The Community Investment Act's Agricultural Viability grants are helping communities find ways to support local farms and farming. Communities seeking to protect their quality of life and rural character are using these grants to build farmers markets, increase purchases of local foods in schools, and modify zoning bylaws to enable farmers to increase direct-to-consumer sales. In doing so, these grants are helping to reaffirm public support for agriculture, which in turn is encouraging more farmers to consider farmland protection options.

The funding available through the Community Investment Act has helped Connecticut regain the farmland protection momentum it had lost for more than a decade. Please reject the Governor's proposal to redirect this valuable funding source at a time when its impact can be especially significant. Thank you.